

TO ESTABLISH A MORATORIUM ON LARGE FISHING VESSELS IN ATLANTIC HERRING AND MACKEREL FISHERIES

JULY 28, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany H.R. 1855]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 1855) to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. MORATORIUM.

(a) IN GENERAL.—Notwithstanding any provision of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), no large fishing vessel may engage in fishing for Atlantic herring or Atlantic mackerel within the United States exclusive economic zone until—

(1) the National Marine Fisheries Service has completed a new population survey into the abundance of the discrete spawning stocks of Atlantic herring and Atlantic mackerel; and

(2) the Secretary of Commerce has approved and implemented fishery management plans developed by the appropriate regional fishery management council for Atlantic herring and Atlantic mackerel, which specifically allow large fishing vessels to participate in those fisheries.

(b) LARGE FISHING VESSEL DEFINED.—In this section, the term “large fishing vessel” means a fishing vessel (as that term is defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802)) of the United States that is equal to or greater than 165 feet in length overall and has an engine of more than 3,000 horsepower.

PURPOSE OF THE BILL

The purpose of H.R. 1855 is to establish a moratorium on large fishing vessels in the Atlantic herring and mackerel fisheries.

BACKGROUND AND NEED FOR LEGISLATION

Atlantic mackerel

Atlantic mackerel is a pelagic, schooling species distributed between Labrador, Canada, and North Carolina, with extensive migration patterns. While the National Marine Fisheries Service (NMFS) has determined that there are two separate stocks, genetic differences between the stocks have not been established and they are managed as a single biological unit.

Mackerel have been identified in the stomachs of a number of different fish. They are preyed upon heavily by whales, dolphins, spiny dogfish, silver hake, white hake, weakfish, goosefish, Atlantic cod, bluefish and striped bass. They also comprise part of the diet of swordfish, red hake, Atlantic bonito, bluefin tuna, blue shark, porbeagle, sea lamprey, and shortfin, mako and thresher sharks.

No formal stock assessment of Atlantic mackerel has been conducted since 1991. The 1991 Stock Assessment Review concluded that the stock has experienced several years of strong recruitment and low fishing mortality rates resulting in a substantial increase in the point estimates of the biomass. The NMFS believes that the overall spawning stock biomass is currently around 2.1 million metric tons. The Mid-Atlantic Fishery Management Council has established the Allowable Biological Catch at 383,000 metric tons for 1997, based on the current projection of spawning stock biomass and the low projections of domestic fishing mortality rates. The Mid-Atlantic Council and NMFS both recognize that this quota level is likely to drop sharply as fishing activity on the stocks increase. The Mid-Atlantic Council's Statistical and Scientific Committee has adopted a minimum spawning stock biomass threshold level for Atlantic mackerel at 900,000 metric tons. This equates to a long-term maximum sustainable yield for the fishery of roughly 150,000 metric tons annually.

There is a long history of commercial fisheries exploitation of Atlantic mackerel in the Northeastern and Mid-Atlantic regions of the United States. Prior to 1988, the fishery was pursued primarily by foreign fishing companies. Changes in the U.S. management policy resulted in an elimination of foreign fishing of mackerel in 1989. U.S. commercial landings of mackerel have fluctuated in the last ten years. U.S. production peaked in 1990 at around 31,000 metric tons but has since declined.

The Mid-Atlantic Council and industry participants agree that the domestic mackerel industry is beginning a period of substantial growth. A New England company is currently in the process of putting together \$20 million in financing to build a state-of-the-art shore-based processing facility for mackerel and other pelagic species. The two largest domestic producers of mackerel have recently made investments totaling more than \$15 million to upgrade shore-based processing capability and cold storage capacity for mackerel. Existing harvesting vessels are undergoing conversions to install

refrigerated seawater capacity and increase hull capacity in order to engage in the mackerel fishery.

The Atlantic mackerel fishery is also seasonally important to the recreational fisheries of the Mid-Atlantic and New England regions. The annual recreational catch appears to be sensitive to changes in migration and distribution patterns. Current estimates of recreational harvest range from 3,000 to 5,000 metric tons. New Jersey accounts for roughly 37 percent of the recreational mackerel landings, followed by Massachusetts, with the remaining states in New England and the Mid-Atlantic landing roughly equal amounts.

The management of Atlantic mackerel falls under the jurisdiction of the Mid-Atlantic Fishery Management Council. Mackerel is regulated pursuant to the Atlantic Mackerel, Squid, and Butterfish Fishery Management Plan. The Council has historically managed mackerel as an underutilized domestic fishery, and has adopted liberal policies to promote growth in the domestic sector. Prior to 1988, the Council adopted “fish and chip” allocations designed to link the allocation of mackerel to foreign fishing nations with commitments from those nations to purchase specific amounts of U.S.-harvested and U.S.-processed products. There has been no foreign fishery for Atlantic mackerel since 1988. The Mid-Atlantic Council has recently focused on clarifying the overfishing definition and the spawning stock biomass estimates for Atlantic mackerel.

The Council has consistently voiced concern about the difficulty of establishing entry limitations on fisheries before such fisheries are overcapitalized. During discussions of possible amendments to the Magnuson Fishery Conservation and Management Act in 1994, the Council recommended an amendment to the Act permitting regional fishery management councils to initiate a moratorium on entry of additional commercial vessels on a regional basis. The intent of the Council was to make eligible for entry all Mid-Atlantic and New England fishermen who so choose to participate in the mackerel fishery. This would be fair to both regions’ fishermen and give regional fishery management councils time to develop fishing effort management regulations on a finite and quantifiable number of fishermen. The goal was to assure that there was not an additional surge of fishing vessels from other areas into the Atlantic at a time when the region as a whole was considered overcapitalized. Unfortunately, such an amendment to the Act was not adopted, so this tool is not available to the councils to control entry.

At its May 1997 meeting, Council members reaffirmed their concern that current regulations did not protect against a surge in new entrant, large-scale fishing vessels before the management process could effectively respond to a rapid growth in capitalization. They also affirmed that they viewed the mackerel resource as a strategic fishery stock in promoting the growth and diversification of distressed fishermen in the New England and Mid-Atlantic regions. The Council adopted a motion to notify the public of its intent to move forward with an amendment to the Fishery Management Plan to control the rate of capitalization into the Atlantic mackerel fishery while at the same time providing diversification and growth opportunities for existing fishermen. This statement of intent has not yet been published in the Federal Register, but initi-

ation of the amendment cycle is anticipated some time in the next three months.

Atlantic herring

Atlantic herring are distributed along the Atlantic coast from North Carolina to the Canadian maritime provinces. Three separate, more or less distinct spawning populations have been recognized comprising (1) the Gulf of Maine; (2) the southwest coast of Nova Scotia; and (3) Georges Bank and Nantucket Shoals. Although a fair amount of research has been done over the years, there are still great uncertainties about the locations and relationships between and among the distinct spawning populations. These questions are critical to the successful management of the herring resource, both in Canada and the United States.

Herring is a plankton feeder, preying on tiny marine crustaceans and larval fish. As an important prey item for many other animals, they transfer energy from primary and secondary production to higher levels of the food web. They are preyed upon by many other species of fish, especially cod, pollock, haddock, silver hake, striped bass, mackerel, tuna, salmon, and dogfish, as well as short-finned squid.

Herring has long been an important fishery along the U.S. Atlantic coast. In Maine, which accounts for 90 percent of domestic landings, herring has supported the traditional sardine industry. Canned herring is sold around the world and, last year alone, the sardine industry generated about \$60 million in wholesale revenues and employed more than 1,000 coastal residents in harvesting and processing businesses. Herring is also an important source of bait for lobstermen and tuna fishermen.

Today the herring resource appears healthy. After years of no directed fishery on Georges Bank, the offshore stock has fully recovered to more than 2.5 million metric tons. Although short-term catches could be very high, scientists project that long-term sustainable catches for Georges Bank may be around 150,000 metric tons per year. Because the resource is shared with Canada, consultations on catches and quotas have been occurring for many years. Last year, Canada harvested 2,500 metric tons of herring on Georges Bank while the U.S. landed 1,600 metric tons. Canadian scientists recommended that the U.S. harvest should not exceed 20,000 metric tons. Because of this advice, the U.S. has placed a limit of 20,000 metric tons on joint ventures and internal waters processing (IWP) operations.

In 1978, a Federal management plan for herring was implemented by the Department of Commerce. The plan established catch quotas in Federal waters, although the states did not want to enforce Federal quotas for adult herring in state waters in the Gulf of Maine. Instead, in 1983 an agreement among the States of Maine, New Hampshire, Massachusetts and Rhode Island on annual spawning area closures in the Gulf of Maine was established to protect the resource. The plan was also endorsed by the Atlantic States Marine Fisheries Commission. The Federal plan was withdrawn and Atlantic herring was placed on the prohibited species list, which eliminated directed fisheries by foreign nationals or joint ventures for herring in the Exclusive Economic Zone.

With the development of IWP fisheries in the mid-1980s, it became clear that the 1983 interstate agreement was insufficient to manage the herring resource. Consequently, in 1993 the Commission developed a fishery management plan for state waters which included an IWP allocation procedure.

H.R. 1855

H.R. 1855 is designed to protect the Atlantic herring and mackerel fisheries from overharvest through a moratorium on the entrance of new large fishing vessels into these fisheries. Large fishing vessels are defined as those that are equal or greater than 165 feet in length overall and have an engine equal to or more than 3,000 horsepower. Evidence has confirmed that there is a reasonable likelihood that certain large fishing vessels known as factory trawlers are poised to move their vessels into the Atlantic Ocean to fish for these pelagic species. Some of these vessels are capable of harvesting more than 50,000 metric tons annually, and there are currently no regulations in place to manage such a huge influx in fishing effort.

The current quota for Atlantic mackerel is 383,000 metric tons and the quota for herring is roughly 580,000 metric tons. The existing domestic fishing fleet is expected to harvest roughly 50,000 metric tons in the 1997–98 fishing season of mackerel, and 70,000 metric tons of herring. These projected harvest levels leave a surplus available to both traditional East Coast fishermen and new entrants alike. However, there is a renewed interest in mackerel due to changes in worldwide supply and a demand for this fish from Eastern European countries that can no longer depend on state-supported industries to artificially create low world market prices. Stock failures in the North Atlantic and the Farro Islands have caused shortfalls in global supplies, resulting in substantial price increases for Atlantic mackerel harvested in the U.S. Exclusive Economic Zone. This has spurred investment into U.S. shore-based processing facilities in Rhode Island, New Jersey, and Massachusetts, and U.S. fishermen are starting to convert their existing vessels for use in this fishery. These vessels are not engaged in fishing because of the collapse and closure of the New England groundfish stocks in the Georges Bank. A U.S. Government-supported vessel buyback program has been developed to eliminate excess vessels from this overutilized fishery. The strong demand and apparent availability of mackerel has also induced industrial fishing companies to consider investments in large-scale fishing vessels. These vessels are likely to target herring as well as mackerel should they enter the East Coast fisheries.

The Committee has become alarmed at the rapid trends in capitalization of the East Coast pelagic fisheries, a trend driven by strong prices and the appearance of an unlimited fishery. The hearing record for H.R. 1855 clearly shows that “underutilized” species quickly become overcapitalized. While the short-term quota is established as 383,000 metric tons for mackerel, the Mid-Atlantic Fishery Management Council projects the long-term maximum sustainable yield (MSY) of this fishery at roughly 150,000 metric tons. The New England Council projects a similar MSY for Atlantic herring. Existing participants will likely take one-third of the mack-

erel and herring MSY this year. Testimony presented to the Committee asserts that a potential new entrant, the *Atlantic Star*, intends to engage in the 1997-98 season and has the capability to harvest in excess of 50,000 metric tons annually. The Committee has also received anecdotal evidence that offers have been made recently to purchase vessels on the West Coast for use in the Atlantic mackerel fishery which equal or exceed this harvest capability. In short, the entry of just three of these large fishing vessels into the U.S. mackerel and herring fisheries would result in harvest levels equaling the long-term MSY. Entry of more than three vessels would cause these two underutilized fisheries to be overcapitalized virtually overnight. The potential for sudden and dramatic overcapitalization raises threats to both the resource and to existing East Coast fishermen.

The herring fishery provides a stark example of how sensitive pelagic fisheries are to heavy fishing pressure. Historically, foreign fishermen harvested the vast majority of herring before the declaration of the 200-mile U.S. Exclusive Economic Zone. Foreign overfishing of herring on Georges Bank was one of the key reasons for extending fishery management jurisdiction out to 200 miles. The Georges Bank herring fishery began in 1961 with the U.S.S.R. taking almost 70,000 metric tons. Fishing pressure grew with the addition of distant water factory trawlers and in 1968, catches peaked at 374,000 metric tons. Although the scientific advice in the late 1960s and early 1970s was for reduced catches, harvest levels remained high and the resource was quickly overfished. In 1978, the resource was so depleted that the scientific advice was a zero quota in the Gulf of Maine and only 8,000 metric tons on Georges Bank.

The NMFS has approved a quota that is over 200,000 metric tons larger for herring than the peak fishing years when the stock was overfished, leading the Committee to question whether accurate stock assessment data is available to determine the sustainability of these resources. The NMFS derives this information from the New England groundfish survey. The data on mackerel and herring is received as an incidental part of the groundfish survey, which is not structured as a pelagic survey. There is currently no stock assessment program designed specifically for the mackerel and herring fisheries, and many sectors of the industry and environmental community believe that the resource biomass is overestimated.

The U.S. Government has had difficulty regulating the widespread overcapitalization of the U.S. fisheries. The problem stems from the fact that capitalization occurs before accurate MSY levels are established. As a result, the fishery management councils and NMFS are forced to react to overcapitalization and overfishing, rather than progressively establishing limits based on long-term conservation and management objectives. Without effective regulatory structures in place to prevent a surge in uncontrolled capitalization, the Atlantic mackerel and herring fisheries may follow that predictable path to destruction.

A surge in capacity would also serve to aggravate the transition to sustainable fisheries in the U.S. Atlantic. Hundreds of vessels in the New England and Mid-Atlantic region have been displaced as a result of the crash in the New England groundfish and scallop

stocks. The stock crash has forced fishermen to shift to alternative fisheries, such as monkfish and squid, to survive the down cycle. These large shifts in fishing effort have, in turn, increased these fisheries to the point where they are now threatened with overcapitalization and the harvest quotas are being reduced. The Mid-Atlantic Council has been forced to limit entry on *Loligo* and *Illex* squid, and the New England Council has been charged with the responsibility of limiting entry in the monkfish fisheries. Herring and mackerel are the only remaining underutilized fisheries on the East Coast which are capable of accommodating the existing groundfish and scallop fishermen in this difficult transition period. Should these fisheries experience a rapid rate of capitalization by vessels from other areas, existing East Coast fishermen will be prevented from making the transition to herring and mackerel.

As stated earlier, the Mid-Atlantic Council currently regulates the mackerel harvest under its Squid, Mackerel, Butterfish Fishery Management Plan (FMP). The FMP does not contain a provision to control the rate of capitalization into the fisheries. The Council has announced its intent to move forward with an FMP amendment which slows the rate of capitalization into the fishery, while at the same time providing opportunities for existing fishermen to diversify into the fishery. The New England Council does not yet have an approved FMP for herring.

On July 8, 1997, the Atlantic States Marine Fisheries Commission's Atlantic Herring Section and members of the New England Council met to consider implementation of interim fishery regulations for the Atlantic herring fishery. Following technical committee analyses concerning biologically appropriate harvest levels from the herring fishery, particularly in the Gulf of Maine, the Section took two emergency actions: (1) to prohibit the landing of herring in all Atlantic Coast states from vessels greater than 165 feet in length overall and with more than 3,000 horsepower; and (2) to prohibit the grinding up of whole herring. These emergency actions were immediately effective and will remain in effect for 180 days, or until replaced by an amendment to the existing Commission-drafted Atlantic Herring FMP or rescinded by the Section. Both proposals demonstrate the strong desire of the East Coast fishery management councils to prevent a sudden surge in capitalization caused by new factory trawler vessels.

Regrettably, the Committee does not believe that the Mid-Atlantic and New England Councils and the Secretary of Commerce can act expeditiously enough to protect these fisheries from such an influx. The development of FMPs and FMP amendments take two to four years. The *Atlantic Star* is scheduled to enter the Atlantic herring and mackerel fisheries in November, effectively doubling the harvest of mackerel in the next cycle, and entry of this vessel could be a portent of a huge increase in fishing effort by large fishing vessels. The Administration did not specify in its testimony what actions can be taken immediately to prevent against a sudden surge of large fishing vessels, other than the use of emergency authority to respond to biological emergencies. The Committee strongly rejects the policy of allowing stocks to crash prior to administrative action to curb fishing effort. The Administration's emergency authority will not protect existing East Coast fishermen from being

further displaced by new entrant, large vessels. H.R. 1855 seeks to create interim controls on these fisheries until the two Councils and the Secretary of Commerce have time to act.

The bill establishes a moratorium on large fishing vessels in the Atlantic herring and mackerel fisheries until two conditions are met. First, the NMFS must complete a separate population survey on the abundance of these species. Second, the Secretary of Commerce must approve and implement a FMP for these species developed by the appropriate fishery management councils allowing large fishing vessels to participate in the Atlantic herring and mackerel fisheries.

In his testimony before the Subcommittee on Fisheries Conservation, Wildlife and Oceans on H.R. 1855, Assistant Administrator for Fisheries Rolland Schmitten stated that:

Comprehensive management programs are necessary to allow for the longer term development of these fisheries without overcapitalization and with sufficient protection for the stocks. Without comprehensive management, misleading signals could encourage uncoordinated planning for expansion in the harvesting and/or processing sectors of the herring industry.

The Committee agrees with Administrator Schmitten's statement about the need for a long-term approach to herring management, and believes that this wise public policy objective should also apply to the mackerel fishery. The established pattern of addressing overcapitalization after the fact, when stocks have already been overharvested, should no longer be an acceptable fisheries management policy. H.R. 1855 has been intentionally drafted to prevent new entrants from seeking to "race" into these fisheries before accurate data and a FMP. Fishermen seeking to buy or refit large fishing vessels for these fisheries during this interim period do so at their own financial risk, and no exemptions will be made legislatively. Instead, a decision on whether large vessels will have access to the Atlantic mackerel and herring fisheries will be left to the regional fishery management councils, and flexibility has been provided to allow the councils to grant them entry if the fisheries resources can accommodate those harvest levels.

COMMITTEE ACTION

H.R. 1855 was introduced on June 10, 1997, by Congressman Jim Saxton (R-NJ). The bill is cosponsored by Congressmen Tom Allen (D-ME), John Baldacci (D-ME), William Delahunt (D-MA), Barney Frank (D-MA), Patrick Kennedy (D-RI), Frank Pallone (D-NJ), Robert Weygand (D-RI), Don Young (R-AK), Joseph Kennedy (D-MA), Frank LoBiondo (R-NJ), Edward Markey (D-MA) and John Tierney (D-MA). The bill was referred to the Committee on Resources and within the Committee to the Subcommittee on Fisheries Conservation, Wildlife and Oceans.

On June 26, 1997, the Subcommittee held a hearing on H.R. 1855, where testimony was heard from the Honorable Frank A. LoBiondo; the Honorable William D. Delahunt; the Honorable John F. Tierney; Mr. Rolland Schmitten, Assistant Administrator for Fisheries, NMFS; Mr. Brad Gilman, Washington Representative,

Lund's Fisheries, Inc., Seafreeze, Ltd., and Cape May Seafood Association; Mr. Michael Love, General Manager, American Pelagic Fishing Company, Inc., L.P.; Ms. Niaz Dorry, Fisheries Campaigner, Greenpeace, U.S.; Mr. Spencer C. Fuller, President, Resource Trading Company and Representative, Atlantic Pelagic Council; Mr. Michael Donovan, Director of Development, Recreational Fishing Alliance; Mr. Jeffrey H. Kaelin, Executive Director, Maine Sardine Council; and Mrs. Angela Sanfilippo, President, Gloucester Fishermen's Wives Association.

In his testimony, Congressman LoBiondo noted that, "I have heard the arguments of how mackerel and herring are 'underutilized', and I confess I am not versed enough to respond in any kind of scientific detail on this issue. But I do know simple math and a vessel that can harvest 50,000 metric tons of mackerel annually, for instance, easily takes in more fish per year than both Atlantic port commercial and recreational fishermen combined."

In her testimony, Mrs. Sanfilippo stated that, "without this legislation, the huge factory ships will return, and by the time a Fishery Management Plan is implemented to protect herring, it will be too late for herring and all other fish species we have sacrificed so much to rebuild. We do not want to repeat history again." Congressman Tierney added that while the people of New England wished to continue the fishing tradition that has been passed down from generation to generation, it was his hope that "what we will not inherit from a previous generation, is the same problem of depleting these much needed resources."

On July 16, 1997, the Full Resources Committee met to consider H.R. 1855. The Subcommittee on Fisheries Conservation, Wildlife and Oceans was discharged from further consideration of H.R. 1855. Mr. Saxton offered an amendment in the nature of a substitute that closed an unintended loophole in the legislation that had the effect of not treating all vessels in an equitable manner. The amendment was adopted by voice vote. The bill, as amended, was then ordered favorably reported to the House of Representatives by voice vote.

SECTION-BY-SECTION ANALYSIS

Section 1. Moratorium

Subsection (a) states that no large fishing vessel may engage in fishing for Atlantic herring or Atlantic mackerel within the United States Exclusive Economic Zone until the NMFS has completed a new population survey on the abundance of these stocks, and the Secretary of Commerce has approved and implemented FMPs developed by the appropriate fishery management council allowing large fishing vessels to participate in those fisheries. This provision does not create a permanent prohibition on vessels 165 feet or longer, but instead requires that the councils affirmatively decide how such vessels can be incorporated into the fisheries without harming the resource or existing East Coast fishermen.

Subsection (b) defines a large fishing vessel as a vessel equal to or greater than 165 feet in length overall and an engine of more than 3,000 horsepower.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(1)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article 1, section 8 of the Constitution of the United States grants Congress the authority to enact H.R. 1855.

COST OF LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 1855. However, clause 7(d) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 1855 does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 1855.

3. With respect to the requirement of clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 1855 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 25, 1997.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1855, a bill to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Gary Brown (for federal costs) and Lesley Frymier (for the private-sector impact).

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Enclosure.

H.R. 1855—A bill to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries

CBO estimates that implementing H.R. 1855 would cost less than \$1 million a year over the next five years. The bill would prohibit large fishing vessels from fishing for Atlantic herring or mackerel within the United States exclusive economic zone (from 3 miles to 200 miles offshore) until (1) the National Marine Fisheries Service (NMFS) has completed a new population survey on the abundance of spawning stocks and (2) the Secretary of Commerce has approved and implemented fishery management plans allowing large fishing vessels to operate in those fisheries.

The Magnuson-Stevens Fishery Conservation and Management Act provides general authority for management plans and studies, and CBO expects that NMFS would complete the plans and studies referred to in H.R. 1855 under such authority. The management plans are already being developed with existing appropriations. The studies referred to in the bill would likely cost about \$1 million in 1998 and up to \$5 million over the 1998–2002 period, subject to the availability of appropriated funds. Some of that spending might occur under current law, but H.R. 1855 would probably necessitate more extensive studies than would otherwise be necessary.

Because the bill would not authorize new financial penalties, CBO expects that no penalties would be collected for violations of the moratorium that H.R. 1855 would impose. Therefore, the legislation would not affect direct spending or receipts, and pay-as-you-go procedures would not apply.

The bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), and would not impose any costs on state, local, or tribal governments. H.R. 1855 would impose a private-sector mandate on large fishing vessels by establishing a moratorium on fishing for Atlantic herring or mackerel within the U.S. exclusive economic zone. Based on information provided by industry and government sources, CBO estimates that the direct costs of this mandate would not exceed the annual threshold (\$100 million in 1996, adjusted annually for inflation) established in UMRA in any year over the next five years.

Information provided by NMFS indicates that no large vessels currently fish in the Atlantic herring and mackerel fisheries. The owners of four large vessels, however, hold permits to operate in the Atlantic mackerel fishery. Three of the permitted vessels do not appear likely to operate in either fishery during the next five years. The owners of the fourth vessel clearly intend to operate in both the Atlantic herring and mackerel fisheries, as indicated by their recent significant investments in retrofitting the vessel for these fisheries. Based on information provided by the vessel manager, CBO expects that the moratorium would have a significant impact

on that vessel. However, CBO estimates that the direct costs of complying with the new mandate in each year would fall well below the threshold established in UMRA.

The CBO staff contacts for this estimate are Gary Brown (for federal costs) and Lesley Frymier (for the private-sector impact). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 1855 contains no unfunded mandates, as defined under Public Law 104-4.

CHANGES IN EXISTING LAW

If enacted, H.R. 1855 would make no changes in existing law.

